

United States Senate
WASHINGTON, DC 20510

November 5, 2003

Admiral James Loy
Administrator
Transportation Safety Administration
Washington DC 20590

Dear Admiral Loy:

We are writing in regard to a \$17 million contract signed by the Transportation Security Administration, which calls for a private firm to dispose of personal items confiscated at U.S. airports.

We question whether this contract has obtained the best possible value for American taxpayers.

It makes no sense to pay a private contractor \$17 million to dispose of items which, in most cases, have substantial resale value. According to the National Airport's Director of Security, the most common items confiscated at airports are scissors, Swiss Army knives, and Leatherman tools. The contract negotiated by TSA also called for the private firm to dispose of golf clubs, ski poles, drills, and other such items.

We understand that in California, the Oakland and Sacramento airports alone donated thousands of confiscated items to state agencies, which in turn raised over \$16,000 by selling them on E-Bay.

We have been in touch with the national offices of Goodwill and the Purple Heart, who tell us that they would be very interested in taking a large number of the confiscated items from TSA – at no cost to the taxpayer – and to sell these items at thrift stores or through on-line charitable auctions.

Given the above, we request that you renegotiate the contract with the private firm, so as to involve charities to the maximum extent possible in the disposition of these confiscated items.

We understand that the contract negotiated by TSA with the contractor (Science Applications International Corporation) would honor pre-existing arrangements with state surplus agencies, like the one in California described above. We have no objection to that.

But we also understand that at hundreds of airports around the country, where such arrangements have not been in place, SAIC would take over disposal of confiscated items, including items of that could be resold, and destroy such items, at a cost of \$17 million over five years.

We believe that there is room for substantial savings even at this point in the existing contract. The \$17 million contract you negotiated requires that you pay \$2 million for the first seven months, but that the remaining \$15 million would only be obligated if TSA decided to do so, over a five year period. So there should be ample room for you to involve charitable organizations, and to save the taxpayers substantial sums by reducing the cost of the contract.¹

Although we expect that some of the items confiscated by TSA might involve hazardous materials, TSA officials tell us that the vast majority of confiscated items would not fall into that category. Significant savings could be derived from having non-hazardous items turned over to charitable organizations, rather than a paid contractor.

We have written to you previously about wasteful spending in the area of screener recruitment, where cost overruns were in the hundreds of millions of dollars. The contract we are bringing to your attention today, involving disposal of confiscated goods, is an opportunity for TSA to introduce greater efficiencies, before additional millions of dollars that could be used for security improvements are squandered.

Sincerely,


Byron L. Dorgan
United States Senator


Ron Wyden
United States Senator

¹ It is not clear that a contract with a private firm is necessary at all. Our staff recently visited Reagan National Airport to inspect the storage of confiscated items. Pat Hynes, the TSA's Federal Security Director at National Airport, explained that such items have until now been disposed of by the airport's police, at no cost to the U.S. taxpayer. Mr. Hynes informed our staff that he had not been contacted by TSA to determine whether a contract with a private firm was necessary, and that he had merely been informed by e-mail from TSA that such a contract had been signed. If one of our country's leading airports is able to dispose of these materials at no cost, why would it be necessary to pay a private contractor \$17 million to take over the job?